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ACTION EAP-01

INFO LOG-00 ACDA-15 AID-01 AMAD-01 CIAE-00 COME-00 C-01
DODE-00 EB-01 HA-09 H-01 INRE-00 INR-01 IO-19
LAB-04 L-03 ADS-00 M-01 NSAE-00 NSCE-00 OIC-02
OMB-01 PA-01 PM-01 PRS-01 P-01 RP-10 SIL-01
SNP-01 SP-01 SR-01 SS-01 STR-20 TRSE-00 T-01
USIE-00 FMP-01 /102W

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FM AMCONSUL GUANGZHOU
TO SECSTATE WASHDC PRIORITY 4220
AMEMBASSY BEIJING PRIORITY
AMCONSUL HONG KONG PRIORITY

DEPARTMENT OF STATE
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BEIJING AND HONG KONG ALSO FOR USIS

E.O. 12356: DECL:OADR
TAGS: PHUM, ETRD, PREL, PGOV, OPRC, CH
SUBJECT: (C) REUTERS REPORTER ASKS ABOUT CONGEN
INVESTIGATION OF GUANGDONG PRISON EXPORTS TO
U.S.

REFS: A) 91 GUANGZHOU 1143
B) 91 HONG KONG 1622N

1. CONFIDENTIAL - ENTIRE TEXT.

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2. LYNNE O'DONNELL, WHO IDENTIFIED HERSELF AS A
REPORTER FOR REUTERS OUT OF HONG KONG, CALLED MONDAY
AFTERNOON (FEBRUARY 24) TO ASK ABOUT A "COVERUP" OF AN
INVESTIGATION BY CONGEN GUANGZHOU CONCERNING SHOES MADE
IN THE "FLOWER CITY" (HUACHENG) PRISON FOR EXPORT TO
THE U.S. SHE SAID, ACCORDING TO HER INFORMATION (SHE
DECLINED TO PROVIDE HER SOURCE), "TWO CONSULATE
OFFICERS" IN JANUARY 1991 HAD GAINED "ACCESS TO
UNAUTHORIZED AREAS" OF HUACHENG PRISON, WHERE THE SHOES
WERE BEING MADE. SHE ALSO SAID THE HONG KONG EXPORT
FIRM "MABUEL" OR "EDDIE L/U," WHICH HAD CONTRACTED FOR
THE SHOES AND PLANNED TO EXPORT OR WAS EXPORTING THE
SHOES TO THE U.S. IN VIOLATION OF U.S. LAW, HAD MOVED
PRODUCTION "OUTSIDE OF THE PRISON TO ANOTHER LOCATION"
AFTER BEING FORMALLY CONTACTED BY THE CONSULATE.

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3. O'DONNELL ALSO SAID REPORTS FROM THE CONSULATE ABOUT THIS PRISON AND ITS MADE FOR EXPORT TO THE U.S. SHOES HAD BEEN KEPT FROM U.S. CUSTOMS, WHICH HAS THE RESPONSIBILITY OF ENFORCING THE U.S. LAW. SHE ASKED IF THE CONSULATE WAS AWARE OF THIS AND IF IT HAD COMMUNICATED (OR FAILED TO COMMUNICATE) ANY INFORMATION ON THIS ISSUE TO U.S. CUSTOMS. O'DONNELL ALSO ASKED ABOUT THE STATE OF NEGOTIATIONS ON A PRISON LABOR MOU BETWEEN THE U.S. AND CHINA.

4. WE DECLINED TO COMMENT ON THE STORY EXCEPT TO MAKE CLEAR, OFF THE RECORD AND "NOT FOR ATTRIBUTION," NO CONSULATE PERSONNEL HAD EVER GAINED "ACCESS TO UNAUTHORIZED AREAS" OF ANY PRISON IN OUR CONSULAR DISTRICT. WE SUGGESTED QUESTIONS ABOUT THE EXPORT OF
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CHINESE PRISON LABOR PRODUCTS TO THE U.S. BE ADDRESSED TO EMBASSY BEIJING, THE DEPARTMENT OF STATE IN WASHINGTON, OR U.S. CUSTOMS EITHER IN HONG KONG OR WASHINGTON. WE DID PROVIDE A GENERAL BRIEFING (AGAIN, OFF THE RECORD) ON PRISON LABOR PRODUCTION IN GUANGDONG PROVINCE SAYING, IN SUMMARY, WE DOUBTED, BECAUSE OF QUALITY CONTROL FACTORS, VERY MANY PRISON MADE PRODUCTS IN GUANGDONG PROVINCE WERE EXPORTED TO THE U.S. OR ANYWHERE ELSE FOR THAT MATTER.

5. O'DONNELL'S INFORMATION, WITH A FEW DISTORTIONS, WAS VERY SIMILAR TO THAT PROVIDED IN REFTELS. WE EXPECT SHE WILL BE CONTACTING, IF SHE HAS NOT ALREADY DONE SO, BEIJING AND HONG KONG.

HARTER

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